

## REMARKS

- Claims **1 – 29, 31 – 43, 45 – 104, 106, 107, and 109** are **currently pending** in the present application.
- Of the currently pending claims, only claims **1, 38, 39, 41 – 43, 45, 46, 97, 101 – 104, 106, and 109** are **independent**.

**I. Double Patenting**Provisional Double-Patenting Rejection

Each of the pending claims **1 – 29, 31 – 43, 45 – 104, 106, 107, and 109** stand provisionally rejected under the judicially created doctrine of double patenting over the claims and specification of co-pending Application No. 09/337,906. (pg. 3 of paper no. 19).

Since the scope of the claims of this Application and the co-pending Application have not yet been determined, Applicants are refraining from filing a terminal disclaimer at this time. Applicants thank Examiner for informing Applicants of Examiner's intention to assert a double patenting rejection.

Non-Provisional Double-Patenting Rejection

Each of the pending claims **1 – 29, 31 – 43, 45 – 104, 106, 107, and 109** also stand rejected under the judicially created doctrine of double patenting over claims 1 – 132 of U.S. Patent No. 6,249,772. (pg. 3 of paper no. 19). Applicants have filed herewith a terminal disclaimer, in compliance with 37 CFR 1.321(c), to overcome this rejection.

## II. Section 103 Rejections

Each of the pending claims 1 – 29, 31 – 43, 45 – 104, 106, 107 and 109 stands rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 6,512,570 to Garfinkle (“Garfinkle” herein) in view of U.S. Patent No. 6,266,651 to Woolston (“Woolston” herein) and further in view of Official Notice. Applicants respectfully traverse this rejection for the reasons set forth below.

### 1. Prior Art Does Not Teach or Suggest All Claim Features

None of the prior art, alone or in combination, teaches or suggests the following general claim feature, which is included in each of the pending independent claims:

- wherein the payment [that is provided from the purchasing system in exchange for providing the product to the buyer] is based on a first price of the product agreed upon between a retailer and the purchasing system and *is not based on a second price of the product that the buyer agreed to pay*

Applicants agree with Examiner that neither Garfinkle or Woolston teaches the above feature. Current Office Action, page 4 – 5.

The Examiner is relying on Officially Noted subject matter as teaching the above feature: “it is old and well known to have an owner of goods agree to have another person sell the product for them so long as a minimum amount is received by the owner (reserve price) and allow the seller to keep any amount over this agreed upon amount.” Applicants traverse this basis for the rejection for various reasons.

First, even if it were established that the practice alleged by the Examiner was old and well known (which Applicants are not agreeing with herein and for which Applicants are requesting documentation, as explained below), the practice of another party keeping any amount over the agreed upon selling price still does not teach or suggest the claimed feature. The claim recites providing a payment to an entity, wherein the payment *is not*

*based on the price that a buyer agrees to pay for the goods.* In the practice described by the Examiner, the entity selling the goods does receive a payment that *is* based on the price a buyer agrees to pay for the goods since, as the Examiner describes it, the person selling the product receives an amount “over the agreed upon amount” that is a “minimum amount” to be received by the owner. In other words, if the owner agrees to let this other person sell the goods as long as the owner receives at least, e.g., \$50, the person selling the goods is allowed to keep any amount received for the goods over \$50. Thus this amount that the person keeps is necessarily based on the price that the goods are sold for. For example, if the goods are sold for \$60, the person selling the goods will only keep \$10 because the owner of the goods takes \$50 but if the goods are sold for \$75 then the person selling the goods keeps \$25.

Since, even if the practice that the Examiner has taken Official Notice of were documented as being old and well known, the practice still would not teach or suggest the above claim feature (the claim feature not being taught or suggested by any other prior art of record), Applicants respectfully request that the §103 rejection be withdrawn.

## 2. Official Notice

Applicants also traverse the §103 rejection on the additional grounds that it is improper to rely on this Officially Noted subject matter as a basis for this rejection, without providing documentation in support thereof, since the subject matter is not the type “capable of instant and unquestionable demonstration as being well known”.

“It is never appropriate to rely solely on ‘common knowledge’ in the art without evidentiary support in the record, as the principal evidence upon which a rejection was based. Zurko, 258 F.3d at 1385, 59 USPQ2d at 1697 (“[T]he Board cannot simply reach conclusions based on its own understanding or experience-or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings.”).” Ordinarily, there must be some form of evidence in the record to support an assertion of common knowledge. See Lee, 277 F.3d at 1344-45, 61 USPQ2d at 1434-35 (Fed. Cir. 2002); Zurko, 258 F.3d at

1386, 59 USPQ2d at 1697 (holding that general conclusions concerning what is "basic knowledge" or "common sense" to one of ordinary skill in the art without specific factual findings and some concrete evidence in the record to support these findings will not support an obviousness rejection).

Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known. As noted by the court in *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970), the notice of facts beyond the record which may be taken by the examiner must be "capable of such instant and unquestionable demonstration as to defy dispute" (citing *In re Knapp Monarch Co.*, 296 F.2d 230, 132 USPQ 6 (CCPA 1961)). In *Ahlert*, the court held that the Board properly took judicial notice that "it is old to adjust intensity of a flame in accordance with the heat requirement." MPEP 2144.03; emphasis added.

If the Examiner maintains the §103(a) rejection based on the officially noted subject matter in a future office action, Applicants hereby request documentation of the practice that Examiner took Official Notice of, so that Applicants may better understand the metes and bounds of the prior art and be better equipped to distinguish the claimed embodiments therefrom.

3. No Proper Motivation to Combine Provided

Applicants further traverse the §103 rejection on the grounds that it is improper because no proper motivation to combine the references with the Officially Noted subject matter has been provided.

The Examiner bears the burden of establishing a *prima facie* case of obviousness based upon the prior art. *In re Fritch*, 972 F.2d 1260, 1265 (Fed. Cir. 1992). To reject claims in an application under section 103, an examiner must show an unrebutted *prima facie* case of obviousness. *In re Rouffet*, 149 F.3d 1350, 1355 (Fed. Cir. 1998). If examination at the initial stage does not produce a *prima facie* case of unpatentability,

then without more the applicant is entitled to grant of the patent. In re Oetiker, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the record. MPEP 706.02(j). In re Fine, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 21 USPQ2d 1941 (Fed. Cir. 1992). It is the burden of the Examiner to establish a *prima facie* case of obviousness by pointing to a specific teaching in the record that would have motivated one of ordinary skill in the art to modify the prior art in the manner suggested by Examiner. In re Fine, at 1598. Applicants respectfully submit that Examiner has not met this *prima facie* burden for the pending claims because Examiner has not pointed to a specific teaching or suggestion *in the prior art* but has merely provided an unsupported conclusory statement.

The Examiner's statement that it would have been obvious to modify the prior art to "include payment to the retailer which is not based on a first price agreed to between the buyer and purchasing system and include in Garfinkle an auction/consignment system as taught by Woolson, because the system could then sell the product for potentially a much larger profit than strictly on percentage, this option may also be one that a seller prefers and not offering this option would cause the owner to go elsewhere, also auctions to match seller and buyers is known to be a successful model for selling products and services and would attract additional buyers who want to negotiate there [sic] price for the product." (Current Office Action, page 5) is not sufficient to meet the Examiner's burden of providing a *prima facie* case of obviousness. The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination. In re Mills, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990). MPEP 2143.01. There is nothing in the prior art references themselves to suggest the desirability of the motivation. Applicants respectfully submit that the Examiner is using improper hindsight to piece together the prior art in a manner that results in a desired result.

If Examiner maintains the position that each of the limitations of the pending claims are taught by the prior art, which Applicants submit they are not, Applicants urge Examiner to apply a proper obviousness analysis and point to a specific suggestion in the

prior art or within the knowledge of one of ordinary skill in the art that would make the suggested combination/modification of the prior art result in Applicants' claimed invention. A proper obviousness analysis cannot be "limited to a discussion of the ways that the multiple prior art references can be combined to read on the claimed invention" (In Re Dembiczak, 175 F.3d 994, Fed. Cir. 1999, holding that the Board of Appeals holding of obviousness cannot stand as a matter of law, due to the Board's failure to support its finding of obviousness by a suggestion, teaching, or motivation to combine the prior art references cited against the pending claims). "Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability--the essence of hindsight." Id.

#### 4. Dependent Claim Limitations

The Examiner asserts that Applicants' arguments "with respect to claims – 29, 31 – 43, 45 – 104, 106, 107, and 109 have been considered but are moot in view of the new ground(s) of rejection." Current Office Action, page 6.

First, Applicants request clarification of whether the Examiner meant claims 1 – 29, as there is no number before the hyphen preceding claim 29.

Second, Applicants respectfully submit that no new grounds of rejection have been asserted for the numerous dependent claims and thus the Examiner has not met the burden of establishing the non-patentability of the claims. Regarding the over 80 pending dependent claims, the Examiner has merely provided a vague statement that although Garfinkle admittedly does not "teach all of the redemption methods of the instant claims. It is old and well known in the art to provide redemption information in the form of a voucher, where the buyer presents this information in return for a product or service. It would be obvious to a person of ordinary skill in the art to include in Garfinkle the redemption methods of the instant claims, because this would provide an alternate means to completing the transaction, which may be more favorable to a buyer and cause the buyer to use the system more frequently."

This statement is inadequate as a motivation to combine, for the reasons discussed above. Accordingly, Applicants respectfully submit that the Examiner has not met his burden of establishing a *prima facie* case of obviousness with respect to any of the dependent claims.

Further, this statement is so vague and devoid of substantive assertions regarding what it is that is allegedly “old and well known” that Applicants cannot meaningfully respond thereto.

Further still, this statement utterly fails to address most of the dependent claim limitations of the pending dependent claims, such as, for example, (i) the penalty information of claims **9, 10, 60 and 61** (ii) the plurality of retailers limitation of claims **13 – 15, and 64 – 66**, and (iii) the plurality of identifiers limitation of claim **14**. At most, the Examiner’s assertions regarding what is “old and well known” vaguely address dependent claims **11, 25, 62 and 78**. The remainder of the over 80 pending dependent claims are completely unaddressed by the Examiner and no prior art has been asserted with respect to these claims.

Applicants request documentation of exactly what it is that the Examiner is asserting is old and well known with respect to the above-quoted statement of the Examiner, so that Applicants may better understand the metes and bounds of the prior art and distinguish the pending claims therefrom.

Applicants further request clarification of the ground on which each of the dependent claims stand rejected based on, and the clarification of what portions of the prior art allegedly teach the limitations of each of the dependent claims.

**CONCLUSION**

For the foregoing reasons it is submitted that all of the claims pending after the amendments made herein are now in condition for allowance and the Examiner's early re-examination and reconsideration are respectfully requested.

Alternatively, if there remains any question regarding the present application or any of the cited references, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is cordially requested to contact Magdalena M. Fincham at telephone number 203-461-7041 or via electronic mail at [mfincham@walkerdigital.com](mailto:mfincham@walkerdigital.com).

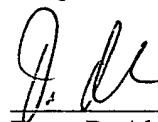
**Petition for Extension of Time to Respond**

Applicants do not believe any extension of time with which to respond to the Office Action is necessary. However, if a fee for an extension of time is necessary, please charge such fee for this petition to our Deposit Account No. 50-0271. Please charge any additional fees that may be required for this Response, or credit any overpayment to Deposit Account No. 50-0271.

If an extension of time is required, please grant a petition for that extension of time which is required to make this Response timely, and please charge any fee for such extension to Deposit Account No. 50-0271.

January 22, 2004  
Date

Respectfully submitted,



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